



## ANNUAL REPORT 2005

AS OF 31 DECEMBER 2005

## AMC ALTERNATIVE FUND

– AMC Directional Alternative Fund (CHF)

– AMC Defensive Alternative Fund (CHF)

Fund of funds with special risk

# AMC ALTERNATIVE FUND

– AMC Directional Alternative Fund (CHF)

– AMC Defensive Alternative Fund (CHF)

## Annual report as of 31 December 2005

---

### Table of contents

• Management and organisation . . . . .	2
• Supervisory committee . . . . .	2
• Distribution of net income in 2006 . . . . .	2
• Investment policy . . . . .	3
• <b>AMC ALTERNATIVE FUND</b> – <b>AMC Directional Alternative Fund (CHF)</b> . . . . .	4-9
• <b>AMC ALTERNATIVE FUND</b> – <b>AMC Defensive Alternative Fund (CHF)</b> . . . . .	10-16
• Commissions . . . . .	17
• Foreign sub-custodians . . . . .	17
• GIPS – Disclosures . . . . .	18
• Performance reports . . . . .	19-20
• Statement of Compliance with the Global Investment Performance Standards (GIPS) . . . . .	21
• Auditors' Reports . . . . .	22
• Information and documentation . . . . .	23

A Swiss fund of funds with special risks ("the Fund"), umbrella fund investing in underlying alternative funds, the risks of which are not comparable with those of traditional investment funds. The underlying funds are of a variety of types, open-ended or closed end, that may or may not be listed on recognised stock exchanges or other public regulated markets, and that may be of any legal form. Investors should be aware of the increased risks associated with investing in these funds, particularly as to the possible partial or total loss of their investment. To mitigate the risk of loss, the Fund's investment manager undertakes strict and rigorous selection and monitoring of the underlying funds and their managers whilst diversifying their investment strategies. Besides the market and currency risks, investors' attention is drawn to the risks associated with investment management, liquidity of shares in the underlying funds, liquidity of the funds' investments, the impact of share redemptions, the pricing of Fund shares, service providers, lack of transparency and legal risks. These risks are commented more fully in the prospectus. The purchase of shares is conditional upon the signature of a subscription agreement.

## Management and organisation

---

### Board of Directors

Christopher PRESTON  
Chairman  
Chief Executive Officer, BCV

François MATTHEY  
Vice-Chairman  
Senior Vice-President, BCV

Christian PELLA  
Member  
Chief Legal Officer, BCV

Christian BEYELER  
Member  
Senior Vice-President, Gérifonds SA

Christian CARRON  
Member  
Vice-President, Gérifonds SA

### Auditors

KPMG Fides Peat  
14, chemin De-Normandie, 1206 Geneva

### Management Company

Gérifonds SA  
Rue du Maupas 2, P.O. Box 2827, 1002 Lausanne

Christian BEYELER, Senior Vice-President  
Christian CARRON, Vice-President  
Nicolas BIFFIGER, Vice-President  
Bertrand GILLABERT, Vice-President

### Distributors

- BCV, Lausanne,
- Banque Piguët & Cie SA, Yverdon-les-Bains
- Swissca Fund Desk, London, as an agent acting for Swiss cantonal banks and other establishments
- Banque Cantonale de Genève, Geneva
- Synchrony Asset Management S.A., Geneva
- Compagnie Bancaire Espirito Santo SA, Lausanne
- Crédit Agricole (Suisse) SA, Geneva
- Credit Suisse Fides, Zurich
- IFP Intermoney Financial Products SA, Pully

### Issuing and Paying Agent

BCV, Lausanne

### Fund management

Gérifonds SA has entrusted the fund management of the AMC ALTERNATIVE FUND to BCV Asset Management, Lausanne

### Custodian Bank

BCV, Lausanne

## Supervisory committee

---

Functions	President	Vice-President	Member	Member
	Christian Carron Gérifonds SA	Louis-Frédéric de Pfyffer Heritage Bank & Trust SA	Christian Beyeler Gérifonds SA	Nicolas Biffiger Gérifonds SA

## Distribution of net income in 2006

---

No income distribution on income for the financial year ending 31 December 2005 will be paid in 2006.

## AMC ALTERNATIVE FUND – AMC Directional Alternative Fund (CHF) – AMC Defensive Alternative Fund (CHF)

---

### Investment policy

(from 01.01.2005 to 31.12.2005)

#### Review

The year just gone saw fairly modest performances from the hedge-fund industry. In the opening half of 2005, there were noticeable disparities between the various strategies whereas the second half proved more rewarding. The economic climate was conducive to directional strategies. Equity markets closed the year with some handsome gains, especially in Europe, Japan and emerging markets. There were also powerful up-trends registered by commodities, with prices for both precious and industrial metals soaring to record highs. In parallel, volatilities on both share and bond markets continued to diminish.

Hedge funds' mixed performance overall can be blamed on disappointing arbitrage strategies. These struggled last spring, handicapped by the downgrading of GM's and Ford's credit ratings, widening credit spreads and a drying-up of liquidity on some credit-based derivatives. Convertibles arbitraging incurred some quite serious falls. More fundamentally, arbitrage strategies were penalised by low volatility and a dearth of investment opportunities, reflected in the small volumes of convertible bonds being issued.

October turned out to be a tough month for directional strategies, with abrupt U-turns seen on both equities and commodities markets. Moreover, the collapse of the Refco brokerage house sent a wave of panic rippling through the markets owing to the threat of hedge funds affected by the event. As a result, Long/Short Equity and Global Macro strategies took a tumble.

Most strategies staged a recovery in the last two months of the year. Over the whole of 2005, equities-related strategies that took advantage of rallies on share markets did particularly well. Strategies geared towards emerging markets benefited from the expansionary cycle in these economies. Lastly, Event-Driven fund managers also produced commendable returns, with their performance bolstered by some very busy merger and acquisition activity.

#### Trend in unit price

The unit price for the AMC Defensive Alternative Fund (CHF) sub-fund began 2005 at CHF 1,011.96 and advanced to CHF 1,047.49 by the year-end, corresponding to a 3.51% gain. The unit price for the AMC Directional Alternative Fund (CHF) sub-fund began the year at CHF 1,035.03, progressing to CHF 1,089.19 by the year-end, which corresponds to a 5.23% increase. As of 31 December 2005, assets under management in AMC Alternative Fund totalled CHF 370.30 m, with CHF 185.6 m in the 'defensive' sub-fund and CHF 184.7 m in the "directional" sub-fund.

2005 was not a good year for arbitrage-style strategies like Relative Value. This can be put down to a number of specific developments such as the crisis that swept through the credit-risk segment in spring and the long-running underlying trend towards a reduction in volatilities. The 'defensive' sub-fund was handicapped in the opening six months by the disappointing performance from this type of strategy. Nevertheless, during the second half of 2005, a more favourable trend set in, with all strategies contributing positively to the return. The key deciding factors for the performance last year were the impressive gains registered by Event-Driven fund managers.

Directional strategies delivered quite disparate performances. Long/Short Equity managers generated some outstanding gains, assisted by the 'long' bias given to strategy and rallies on the world's stock markets. As with the 'defensive' sub-fund, Event-Driven fund managers gave performance a boost. Outcomes for other strategies were more mixed: CTA did end the year with a gain whereas Global Macro failed to match expectations.

#### Outlook

The more encouraging trend that took root in the latter half of 2005 bodes promisingly for a better year ahead for hedge funds. The economic climate, characterised by positive economic growth and subdued inflation, should remain clement for stock markets. Moreover, we would expect M&A activity to remain pretty lively. The monetary background could be coloured by increased uncertainties with the cycle of monetary tightening in the USA drawing to a close. Once this transpires, volatilities may well begin to mount again.

In such circumstances, we will continue to favour those equities-focused strategies which should be aided by both the rally trend on stock markets and broader discrepancies in performance between stocks and between sectors. We would also maintain our favourable slant towards Event-Driven strategies which should be bolstered by plenty of 'action' to come in 2006.

That said, it is important to bear in mind that several major risks are hovering in the background. The leverage being cranked up within the economy and narrow credit spreads on bonds are giving rise to worries about a financial accident waiting to happen. We will take care to minimise exposure to complex structured credit instruments that have been proliferating at an exponential tempo on the markets. Moreover, although we are still favouring the 'equities' play, a setting of increased volatility will prompt us to keep correlations with conventional markets at a reasonable level. To achieve this, damping down sensitivities, geographical diversification and flexible approaches will be criteria of vital significance for investment decision-making.

Overview	Accounting period	01.01.05	01.01.04	26.06.03
		31.12.05	31.12.04	31.12.03
Net fund assets at the end of the accounting period		184'760'002.69	138'420'115.78	106'635'449.22
Units outstanding at the end of the accounting period		169'630.847	133'735.356	105'633.439
Net asset value per unit at the end of the accounting period		1'089.19	1'035.03	1'009.49
Distribution per unit		0.00	0.00	0.00
Total Expense Ratio (TER)		*	*	*

\* The management company will refrain from calculating and publishing the total expense ratio (TER) when unable to obtain the relevant TERs for the underlying sub-funds.

Swiss Funds Association (SFA) "Guidelines on transparency with regard to management Fees" of 7 June 2005

A portion of the all-in management fee is used to pay selling agents. The fund management company also intends to use the all-in management fee to pay retrocessions to institutional investors who hold fund units on a fiduciary basis for third parties.

## Statement of net assets

(Market value)		31.12.05		31.12.04
Securities				
Units of other alternative investment funds	CHF	173'991'295.34	CHF	128'568'727.64
Derivative financial instruments	CHF	-83'993.50	CHF	6'535'474.00
Bank receivables at sight	CHF	14'738'002.06	CHF	4'222'919.40
Other assets	CHF	387'783.79	CHF	776'002.89
<b>Total fund assets at the end of the accounting period</b>	CHF	189'033'087.69	CHF	140'103'123.93
Accrued liabilities	CHF	-4'273'085.00	CHF	-1'683'008.15
<b>Net fund assets at the end of the accounting period</b>	CHF	184'760'002.69	CHF	138'420'115.78

Change in units outstanding	Accounting period	01.01.05	01.01.04
		31.12.05	31.12.04
Balance at the beginning of the accounting period		133'735.356	105'633.439
Units issued		53'527.565	33'512.004
Units redeemed		-17'632.074	-5'410.087
<b>Balance at the end of the accounting period</b>		169'630.847	133'735.356

<b>Net asset value per unit at the end of the accounting period</b>	CHF	1'089.19	CHF	1'035.03
---	-----	----------	-----	----------

## Change in net fund assets

Net fund assets at the beginning of the accounting period	CHF	138'420'115.78	CHF	106'635'449.22
Balance of units issued / redeemed	CHF	37'267'695.39	CHF	29'062'603.85
Total result	CHF	9'072'191.52	CHF	2'722'062.71
<b>Net fund assets at the end of the accounting period</b>	CHF	184'760'002.69	CHF	138'420'115.78

<b>Statement of income</b>	<b>Accounting period</b>			<b>01.01.05</b>			<b>01.01.04</b>
				<b>31.12.05</b>			<b>31.12.04</b>
<b>Income</b>							
Income from bank receivables at sight		CHF	283'133.59	CHF		47'807.42	
Purchase of current income on issue of units		CHF	-507'013.74	CHF		-334'555.78	
<b>Total income</b>		CHF	-223'880.15	CHF		-286'748.36	
<b>Expenses</b>							
Regulatory fees							
Fund Management Company		CHF	-3'377'083.85	CHF		-2'653'684.70	
Custodian bank		CHF	-253'281.30	CHF		-199'026.35	
Audit fees		CHF	-21'520.00	CHF		-19'411.65	
Interest paid		CHF	-425.88	CHF		-6'574.30	
Other expenses		CHF	-13'871.05	CHF		-9'657.65	
Payment of current income on redemption of units		CHF	218'817.05	CHF		71'387.48	
<b>Total expenses</b>		CHF	-3'447'365.03	CHF		-2'816'967.17	
<b>Financial result</b>		CHF	-3'671'245.18	CHF		-3'103'715.53	
Realised capital gains/losses		CHF	-16'789'233.62	CHF		-1'842'973.43	
<b>Net realised result</b>		CHF	-20'460'478.80	CHF		-4'946'688.96	
Unrealised capital gains/losses		CHF	29'532'670.32	CHF		7'668'751.67	
<b>Total result</b>		CHF	9'072'191.52	CHF		2'722'062.71	
<b>Allocation of result</b>							
Financial result		CHF	-3'671'245.18	CHF		-3'103'715.53	
<b>Result available for distribution</b>		CHF	-3'671'245.18	CHF		-3'103'715.53	
Allocation of net loss for the period to accumulated capital gain and loss		CHF	-3'671'245.18	CHF		-3'103'715.53	
<b>Total</b>		CHF	-3'671'245.18	CHF		-3'103'715.53	

## Statement of fund assets at the end of the accounting period

Security number	Description	Number/Nominal value	Currency	Price	Market value	in %
<b>Units of other alternative investment funds</b>					<b>173'991'295.34</b>	<b>92.03</b>
<b>COMMODITY LONG/SHORT</b>					<b>2'192'637.17</b>	<b>1.16</b>
2160742	The Territory Futures JVPT Program Class A	2'000.0000	USD	831.8363	2'192'637.17	1.16
<b>COMMODITY LONG/SHORT</b>					<b>2'192'637.17</b>	<b>1.16</b>
<b>CREDIT LONG/SHORT</b>					<b>1'324'619.48</b>	<b>0.70</b>
2198845	Celestial Class B	99'395.9110	USD	10.1091	1'324'280.38	0.70
4022541	Celestial Class B Equalization	257.2900	USD	1.00	339.10	0.00
<b>DISTRESSED</b>					<b>6'120'695.95</b>	<b>3.24</b>
2365223	DB Distressed Opportunities Fund Class A Series 12/05	3'500.0000	USD	1'033.3724	4'766'765.91	2.52
2380677	DB Distressed Opportunities Fund Class A Series 13/05	1'000.0000	USD	1'027.30	1'353'930.04	0.72
<b>CREDIT LONG/SHORT</b>					<b>7'445'315.43</b>	<b>3.94</b>
<b>DISCRETIONARY MULTI-MKT</b>					<b>9'001'138.10</b>	<b>4.76</b>
1844977	Beach Discretionary Fund (Cayman SPC) Class 1XL (USD)	68'092.2300	USD	100.30	9'001'138.10	4.76
<b>SYSTEMATIC TREND FOLLOW</b>					<b>10'785'686.25</b>	<b>5.70</b>
840078	Campbell Global Assets Fund Red Ptg Shares Class A	2'196.3950	USD	3'032.48	8'778'237.49	4.64
1427937	Campbell Global Assets Fund Red Ptg Shares Class B	603.3440	USD	2'524.53	2'007'448.76	1.06
<b>CTAs</b>					<b>19'786'824.35</b>	<b>10.46</b>
<b>EMERGING</b>					<b>12'433'311.97</b>	<b>6.57</b>
1460762	Greylock Global Opportunity Fund (Offshore) Class B Series 1	15'003.3060	USD	357.9008	7'076'989.82	3.74
1509522	The Star Fund Red	1'850.8407	USD	2'195.83	5'356'322.15	2.83
<b>EMERGING MARKET</b>					<b>12'433'311.97</b>	<b>6.57</b>
<b>MID / LGE CAP OPPORTUNISTIC</b>					<b>78'263'898.05</b>	<b>41.40</b>
948042	Lansdowne European Equity Fund Class A (Euro)	43'382.9158	EUR	156.74	10'571'028.48	5.60
986934	The Trident European Fund Class B	26'189.4600	EUR	311.99	12'702'402.83	6.72
1138807	Tosca Class A	38'508.1659	USD	211.9667	10'757'700.48	5.69
1264602	Jupiter Hyde Park Hedge Fund Limited Shares	1'759'583.2090	USD	3.0025	6'962'925.68	3.68
1409311	Kinetics Fund Class A Series C	3'000.0000	USD	1'139.52	4'505'491.15	2.38
1596984	Kinetics Fund Class A Series A	2'437.8716	USD	2'081.49	6'687'812.54	3.54
1648821	Trellus Offshore Fund Limited Series 86	58.1311	USD	132'513.16	10'152'347.77	5.37
1854996	Sofaer Capital European Hedge Fund Class B (Euro)	18'174.9583	EUR	155.20	4'385'143.44	2.32
2081602	Tiedemann Japan Class A Series 1	38'956.0000	USD	154.98	7'956'992.49	4.21
2090920	Tiedemann Japan Class A Series 2	16'693.0000	USD	162.4721	3'574'473.61	1.89
4015250	Lansdowne European Equity Fund Class A (Euro) Equalization	4'875.5800	EUR	1.00	7'579.58	0.00
<b>EQUITY LONG BIAS</b>					<b>78'263'898.05</b>	<b>41.40</b>
<b>MULTI-STRATEGY</b>					<b>27'317'540.37</b>	<b>14.45</b>
1433444	Atticus Global Class A-R Restricted	32'778.4489	USD	318.12	13'742'897.48	7.27
1781533	Strategic Value Restructuring Fund Class A Series A1	33'501.2900	USD	201.6136	8'901'851.23	4.71
2397877	Canyon Value Realization Fund (Cayman) -F- Series 12/05	2'996.9748	USD	1'183.0263	4'672'791.66	2.47
<b>EVENT DRIVEN</b>					<b>27'317'540.37</b>	<b>14.45</b>
<b>GLOBAL MACRO</b>					<b>19'106'527.36</b>	<b>10.11</b>
1566278	The Keynes Fund Limited	33'861.2700	USD	112.73	5'030'853.66	2.66
1572807	Brevan Howard Fund Class A (USD)	34'346.0900	USD	129.52	5'862'907.93	3.10
1670123	RAB Special Situations	1'848.6851	USD	2'178.61	5'308'127.78	2.81
2159553	Lily Pond Currency Class A Series 3	1'000.0000	USD	1'049.02	1'382'555.91	0.73

Security number	Description	Number/Nominal value	Currency	Price	Market value	in %
2324448	Lily Pond Currency Class A Series 7	1'000.0000	USD	1'003.83	1'322'997.75	0.70
4015268	RAB Special Situations Equalization	151'056.0600	USD	1.00	199'084.33	0.11
<b>GLOBAL MACRO</b>					<b>19'106'527.36</b>	<b>10.11</b>
<b>OPTIONS ARBITRAGE</b>					<b>7'445'240.64</b>	<b>3.94</b>
1785240	Luxalpha Class A	4'944.3840	USD	1'142.53	7'445'240.64	3.94
<b>OPTIONS ARBITRAGE</b>					<b>7'445'240.64</b>	<b>3.94</b>
<b>Derivative financial instruments</b>					<b>-83'993.50</b>	<b>-0.04</b>

Transaction number	Description	Currency	Amount	Currency	Amount	Change	Market value	in %	
DAT000892	Forward exchange contract	31.01.06	USD	-108'100'000.00	CHF	142'027'185.00	1.31452	-72'427.00	-0.04
DAT000893		31.01.06	EUR	-17'100'000.00	CHF	26'544'757.50	1.55279	-7'951.50	0.00
DAT000894		31.01.06	EUR	-400'000.00	CHF	621'010.00	1.55279	-106.00	0.00
DAT000895		31.01.06	USD	-2'200'000.00	CHF	2'888'435.00	1.31452	-3'509.00	0.00
<b>Forward foreign exchange</b>							<b>-83'993.50</b>	<b>-0.04</b>	
Units of other alternative investment funds					CHF	173'991'295.34	92.03		
Derivatives					CHF	-83'993.50	-0.04		
Bank receivables at sight					CHF	14'738'002.06	7.80		
Other assets					CHF	387'783.79	0.21		
<b>Total fund assets at the end of the accounting period</b>					CHF	189'033'087.69	100.00		
Accrued liabilities					CHF	-4'273'085.00			
<b>Net fund assets at the end of the accounting period</b>					CHF	184'760'002.69			

Exchange rates

EUR	1.-	=	CHF	1.5546
USD	1.-	=	CHF	1.31795

**Additional information and off-balance-sheet transactions**

Type	Amount in fund currency
Sum of contracted loans and credits:	0.00
Sum of securities lent:	0.00
Volume of securities in repo and reverse repo operations:	0.00
Financial charges against fund assets (guarantees, pledges, collateral security, margin calls for transactions involving financial derivatives):	0.00
Volumes of contracts in financial derivatives:	
– Forward foreign exchange	172'575'385.00
– Futures	0.00
– Calls	0.00
– Puts	0.00
– Warrants	0.00
– Subscription rights	0.00
Volume of cash-equivalent/quasi-cash related to financial contracts:	0.00

**Derivative financial instruments open at the end of the accounting period**

Currency	Foreign exchange sold	Change	Currency	Foreign exchange bought	Maturity	Exposure
USD	108'100'000	1.31452	CHF	142'027'185	31.01.06	142'470'395.00
EUR	17'100'000	1.55279	CHF	26'544'758	31.01.06	26'583'660.00
EUR	400'000	1.55279	CHF	621'010	31.01.06	621'840.00
USD	2'200'000	1.31452	CHF	2'888'435	31.01.06	2'899'490.00
<b>Forward foreign exchange</b>						<b>172'575'385.00</b>

## List of transactions during the accounting period

Security number	Description	Purchases 3)	Sales 4)
<b>Units of other alternative investment funds</b>			
1427937	Campbell Global Assets Fund Red Ptg Shares Class B	603.3440	
1509522	The Star Fund Red	1'850.8407	
1785240	Luxalpha Class A	4'944.3840	
2324448	Lily Pond Currency Class A Series 7	1'000.0000	
2365223	DB Distressed Opportunities Fund Class A Series 12/05	3'500.0000	
2380677	DB Distressed Opportunities Fund Class A Series 13/05	1'000.0000	
2397877	Canyon Value Realization Fund (Cayman) -F- Series 12/05	2'996.9748	
1929447	Titanium Commodity Fund SP Shares		39'906.5800
2160742	The Territory Futures JVPT Program Class A	2'000.0000	
2198845	Celestial Class B	99'395.9110	
4022541	Celestial Class B Equalization	257.2900	
881390	Aspect Diversified Fund Class A		28'935.3461
1460762	Greylock Global Opportunity Fund (Offshore) Class B Series 1	5'903.6495	
1607578	Greylock Global Opportunity Fund (Offshore) Class B Series 7		5'903.7209
1409311	Kinetics Fund Class A Series C	3'000.0000	
1596984	Kinetics Fund Class A Series A	2'437.8716	
699210	Thames River Global Funds Class A		682.9700
948042	Lansdowne European Equity Fund Class A (Euro)	21'261.3177	
949932	SCI European Hedge Fund Euro Portfolio Shares		18'175.6012
986934	The Trident European Fund Class B	75.4300	
1138807	Tosca Class A	127.1959	
1535629	Beaufort European Fund Class A	19'999.5900	33'269.2638
1734537	Kinetics Fund Inc. Class A Series M		4'500.0000
1816323	Rx Healthcare Overseas Fund Class B Series 1		3'431.4200
1854996	Sofaer Capital European Hedge Fund Class B (Euro)	18'174.9583	
1871466	Tiedemann Japan Class A Series 5		38'035.0000
2081602	Tiedemann Japan Class A Series 1	38'956.0000	
2090920	Tiedemann Japan Class A Series 2	16'693.0000	
4015161	Tosca Class A Equalization		25'259.4100
4015184	Beaufort European Fund Class A Equalization		14'724.3500
4015186	The Trident European Fund Class B Equalization		19'930.3400
4015250	Lansdowne European Equity Fund Class A (Euro) Equalization	4'875.5800	55'629.4900
1433444	Atticus Global Class A Restricted	165.5080	
1781533	Strategic Value Restructuring Fund Class A Series A1	12'685.1100	
1791822	Strategic Value Restructuring Fund Class A Subseries A15		20'000.0000
4022525	Atticus Global Class A Equalization		44'064.4400
1572807	Brevan Howard Fund Class A (USD)	821.7700	
4015160	Brevan Howard Fund Shares USD Equalization		98'543.1000
1404036	GLG Global Macro Fund Red Ptg Shares Class A		13'099.2930
1489109	Epoch Overseas Class B Subclass 1		3'989.8157
1557866	Vega Feeder Fund Structured 2X Class Series 1		305.1900
1601353	GLG Global Macro Fund Red Ptg Shares -G-		11'942.6750
1670123	RAB Special Situations	1'848.6851	
1955643	Vega Feeder Fund Structured 2X Class Series 4	150.9920	150.9920
2141749	Azur Global Outlook Class A	500.0000	500.0000
2159553	Lily Pond Currency Class A	1'000.0000	
4015268	RAB Special Situations Equalization	151'056.0600	

### Forward foreign exchange

Transaction number	Maturity	Change	Currency	Bought	Currency	Sold
DAT000265	25.01.05	1.21320	CHF	106'276'320.00	USD	87'600'000.00
DAT000266	25.01.05	1.53300	CHF	18'549'300.00	EUR	12'100'000.00
DAT000291	25.01.05	1.13903	CHF	2'961'478.00	USD	2'600'000.00
DAT000292	25.01.05	1.51040	CHF	4'531'200.00	EUR	3'000'000.00
DAT000393	28.02.05	1.18670	CHF	116'652'610.00	USD	98'300'000.00
DAT000394	28.02.05	1.54740	CHF	31'721'700.00	EUR	20'500'000.00
DAT000395	31.01.05	1.54560	CHF	24'729'600.00	EUR	16'000'000.00
DAT000396	31.01.05	1.18975	CHF	108'624'175.00	USD	91'300'000.00
DAT000397	31.01.05	1.18400	CHF	8'288'000.00	USD	7'000'000.00
DAT000398	31.01.05	1.54500	CHF	6'952'500.00	EUR	4'500'000.00
DAT000399	31.01.05	1.19000	CHF	108'647'000.00	USD	91'300'000.00
DAT000400	31.01.05	0.84051	USD	91'300'000.00	CHF	108'624'175.00
DAT000428	31.03.05	1.53515	CHF	1'151'362.50	EUR	750'000.00
DAT000429	31.03.05	0.86363	USD	700'000.00	CHF	810'530.00
DAT000430	31.03.05	1.15593	CHF	113'627'427.50	USD	98'300'000.00
DAT000431	31.03.05	1.53510	CHF	31'469'550.00	EUR	20'500'000.00
DAT000482	29.04.05	1.18985	CHF	6'901'130.00	USD	5'800'000.00
DAT000483	29.04.05	1.54750	CHF	77'375.00	EUR	50'000.00
DAT000484	29.04.05	1.18975	CHF	116'119'600.00	USD	97'600'000.00

The footnotes are explained at the end of the report.

**Forward foreign exchange**

Transaction number	Maturity	Change	Currency	Bought	Currency	Sold
DAT000485	29.04.05	1.54728	CHF	32'879'593.75	EUR	21'250'000.00
DAT000565	31.05.05	1.18785	CHF	122'823'690.00	USD	103'400'000.00
DAT000566	31.05.05	0.84118	USD	1'800'000.00	CHF	2'139'840.00
DAT000567	31.05.05	1.53478	CHF	32'690'707.50	EUR	21'300'000.00
DAT000597	31.08.05	1.52930	CHF	1'529'300.00	EUR	1'000'000.00
DAT000611	30.06.05	1.53535	CHF	32'702'955.00	EUR	21'300'000.00
DAT000613	30.06.05	0.65087	EUR	100'000.00	CHF	153'640.00
DAT000614	30.06.05	1.24245	CHF	126'232'920.00	USD	101'600'000.00
DAT000615	30.06.05	0.80431	USD	1'400'000.00	CHF	1'740'620.00
DAT000620	31.08.05	1.24000	CHF	3'472'000.00	USD	2'800'000.00
DAT000623	31.08.05	1.53300	CHF	6'132'000.00	EUR	4'000'000.00
DAT000624	31.08.05	2.28300	CHF	3'652'800.00	GBP	1'600'000.00
DAT000628	30.09.05	2.29000	CHF	5'038'000.00	GBP	2'200'000.00
DAT000629	30.09.05	0.01168	CHF	4'672'000.00	JPY	400'000'000.00
DAT000630	31.08.05	1.53820	CHF	6'152'800.00	EUR	4'000'000.00
DAT000632	31.08.05	1.53650	CHF	1'536'500.00	EUR	1'000'000.00
DAT000634	30.09.05	2.30000	CHF	5'750'000.00	GBP	2'500'000.00
DAT000635	30.09.05	1.26600	CHF	12'153'600.00	USD	9'600'000.00
DAT000636	30.09.05	0.01164	CHF	2'328'000.00	JPY	200'000'000.00
DAT000637	30.09.05	1.53860	CHF	10'770'200.00	EUR	7'000'000.00
DAT000642	30.09.05	1.27700	CHF	1'915'500.00	USD	1'500'000.00
DAT000646	30.09.05	1.27400	CHF	4'076'800.00	USD	3'200'000.00
DAT000661	30.09.05	1.54500	CHF	2'163'000.00	EUR	1'400'000.00
DAT000663	30.09.05	0.01162	CHF	3'484'500.00	JPY	300'000'000.00
DAT000668	30.09.05	1.55200	CHF	3'880'000.00	EUR	2'500'000.00
DAT000669	29.07.05	1.54915	CHF	32'841'980.00	EUR	21'200'000.00
DAT000670	29.07.05	1.27831	CHF	128'086'662.00	USD	100'200'000.00
DAT000674	30.09.05	1.55500	CHF	3'732'000.00	EUR	2'400'000.00
DAT000678	31.10.05	1.05450	CHF	738'150.00	CAD	700'000.00
DAT000679	31.10.05	1.55800	CHF	19'786'600.00	EUR	12'700'000.00
DAT000680	31.10.05	0.01160	CHF	3'248'000.00	JPY	280'000'000.00
DAT000681	31.10.05	1.29500	CHF	12'885'250.00	USD	9'950'000.00
DAT000682	31.10.05	2.24000	CHF	3'472'000.00	GBP	1'550'000.00
DAT000701	31.08.05	1.28200	CHF	4'743'400.00	USD	3'700'000.00
DAT000702	31.08.05	1.55845	CHF	935'070.00	EUR	600'000.00
DAT000703	31.08.05	1.55885	CHF	33'047'620.00	EUR	21'200'000.00
DAT000704	31.08.05	1.28170	CHF	128'426'340.00	USD	100'200'000.00
DAT000744	30.09.05	0.64633	EUR	5'600'000.00	CHF	8'664'320.00
DAT000745	30.09.05	1.54570	CHF	33'696'260.00	EUR	21'800'000.00
DAT000746	30.09.05	1.25530	CHF	130'425'670.00	USD	103'900'000.00
DAT000747	30.09.05	1.25600	CHF	5'777'600.00	USD	4'600'000.00
DAT000771	31.10.05	1.55235	CHF	25'148'070.00	EUR	16'200'000.00
DAT000772	31.10.05	0.77628	USD	1'500'000.00	CHF	1'932'300.00
DAT000773	31.10.05	1.28570	CHF	139'498'450.00	USD	108'500'000.00
DAT000774	31.10.05	1.55205	CHF	310'410.00	EUR	200'000.00
DAT000826	30.11.05	1.28743	CHF	137'754'475.00	USD	107'000'000.00
DAT000828	30.11.05	0.77640	USD	4'500'000.00	CHF	5'796'000.00
DAT000829	30.11.05	1.54445	CHF	25'328'980.00	EUR	16'400'000.00
DAT000830	30.11.05	1.54490	CHF	3'862'250.00	EUR	2'500'000.00
DAT000848	30.12.05	1.31080	CHF	134'357'000.00	USD	102'500'000.00
DAT000849	30.12.05	1.31090	CHF	7'341'040.00	USD	5'600'000.00
DAT000850	30.12.05	1.54780	CHF	29'253'420.00	EUR	18'900'000.00
DAT000851	30.12.05	0.64595	EUR	1'800'000.00	CHF	2'786'580.00
DAT000892	31.01.06	1.31385	CHF	142'027'185.00	USD	108'100'000.00
DAT000893	31.01.06	1.55233	CHF	26'544'757.50	EUR	17'100'000.00
DAT000894	31.01.06	1.55253	CHF	621'010.00	EUR	400'000.00
DAT000895	31.01.06	1.31293	CHF	2'888'435.00	USD	2'200'000.00

1) rounded

2) Note for investors in Germany: Bank receivables / payables are not protected by hedging arrangements.

3) Purchases include among others the following transactions: purchases / bonus securities / conversions / changes of corporate names / splits / stock-/cash-dividends / demergers / transfers / exchanges between companies / allotment from subscription/option rights

4) Sales include among others the following transactions: sales / draws by lot / cancellations as a result of expiry / exercises of rights/options / conversions / reverse-splits / repayments / transfers / exchanges between companies

5) According to the guidelines of the Federal Tax Administration regarding collective investment instruments, April 1999, margin 27.

# Securities partly or entirely lent out (Securities lending)

<b>Overview</b>	<b>Accounting period</b>	<b>01.01.05</b>	<b>01.01.04</b>	<b>26.06.03</b>
		<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.03</b>
Net fund assets at the end of the accounting period		185'626'423.79	152'003'925.76	108'263'786.55
Units outstanding at the end of the accounting period		177'209.852	150'207.684	108'612.172
Net asset value per unit at the end of the accounting period		1'047.49	1'011.96	996.79
Distribution per unit		0.00	0.00	0.00
Total Expense Ratio (TER)		*	*	*

\* The management company will refrain from calculating and publishing the total expense ratio (TER) when unable to obtain the relevant TERs for the underlying sub-funds.

Swiss Funds Association (SFA) "Guidelines on transparency with regard to management Fees" of 7 June 2005

A portion of the all-in management fee is used to pay selling agents. The fund management company also intends to use the all-in management fee to pay retrocessions to institutional investors who hold fund units on a fiduciary basis for third parties.

## Statement of net assets

<b>(Market value)</b>		<b>31.12.05</b>		<b>31.12.04</b>
Securities				
Units of other alternative investment funds	CHF	173'437'297.35	CHF	139'681'732.61
Other securities and rights	CHF	2'630'628.20	CHF	0.00
Derivative financial instruments	CHF	-85'478.50	CHF	6'750'854.42
Bank receivables at sight	CHF	12'824'611.11	CHF	7'287'049.30
Other assets	CHF	342'107.63	CHF	403'310.53
<b>Total fund assets at the end of the accounting period</b>	CHF	189'149'165.79	CHF	154'122'946.86
Accrued liabilities	CHF	-3'522'742.00	CHF	-2'119'021.10
<b>Net fund assets at the end of the accounting period</b>	CHF	185'626'423.79	CHF	152'003'925.76

<b>Change in units outstanding</b>	<b>Accounting period</b>	<b>01.01.05</b>	<b>01.01.04</b>
		<b>31.12.05</b>	<b>31.12.04</b>
Balance at the beginning of the accounting period		150'207.684	108'612.172
Units issued		42'684.543	47'393.200
Units redeemed		-15'682.375	-5'797.688
<b>Balance at the end of the accounting period</b>		177'209.852	150'207.684

<b>Net asset value per unit at the end of the accounting period</b>	CHF	1'047.49	CHF	1'011.96
---	-----	----------	-----	----------

## Change in net fund assets

Net fund assets at the beginning of the accounting period	CHF	152'003'925.76	CHF	108'263'786.55
Balance of units issued / redeemed	CHF	27'721'763.02	CHF	42'147'481.85
Total result	CHF	5'900'735.01	CHF	1'592'657.36
<b>Net fund assets at the end of the accounting period</b>	CHF	185'626'423.79	CHF	152'003'925.76

<b>Statement of income</b>	<b>Accounting period</b>			<b>01.01.05</b>			<b>01.01.04</b>
				<b>31.12.05</b>			<b>31.12.04</b>
<b>Income</b>							
Income from bank receivables at sight		CHF	231'339.93	CHF		76'352.98	
Purchase of current income on issue of units		CHF	-430'897.84	CHF		-519'284.95	
<b>Total income</b>		CHF	-199'557.91	CHF		-442'931.97	
<b>Expenses</b>							
Regulatory fees							
Fund Management Company		CHF	-3'467'084.55	CHF		-2'897'966.20	
Custodian bank		CHF	-260'031.30	CHF		-217'347.45	
Audit fees		CHF	-21'520.00	CHF		-19'411.65	
Interest paid		CHF	-460.14	CHF		0.00	
Other expenses		CHF	-13'883.35	CHF		-9'657.60	
Payment of current income on redemption of units		CHF	191'671.22	CHF		79'660.45	
<b>Total expenses</b>		CHF	-3'571'308.12	CHF		-3'064'722.45	
<b>Financial result</b>		CHF	-3'770'866.03	CHF		-3'507'654.42	
Realised capital gains/losses		CHF	-18'262'135.74	CHF		-994'721.99	
<b>Net realised result</b>		CHF	-22'033'001.77	CHF		-4'502'376.41	
Unrealised capital gains/losses		CHF	27'933'736.78	CHF		6'095'033.77	
<b>Total result</b>		CHF	5'900'735.01	CHF		1'592'657.36	
<b>Allocation of result</b>							
Financial result		CHF	-3'770'866.03	CHF		-3'507'654.42	
<b>Result available for distribution</b>		CHF	-3'770'866.03	CHF		-3'507'654.42	
Allocation of net loss for the period to accumulated capital gain and loss		CHF	-3'770'866.03	CHF		-3'507'654.42	
<b>Total</b>		CHF	-3'770'866.03	CHF		-3'507'654.42	

## Statement of fund assets at the end of the accounting period

Security number	Description	Number/Nominal value	Currency	Price	Market value	in %
<b>Units of other alternative investment funds</b>					<b>173'437'297.35</b>	<b>91.70</b>
<b>VOLATILITY TRADERS</b>					<b>7'122'515.99</b>	<b>3.77</b>
1495723	Pendragon (Merlin) Fund Class B	2'463.036	USD	2'193.43	7'120'220.99	3.77
4023126	Pendragon (Merlin) Fund Class B Equalization	1'741.34	USD	1.00	2'295.00	0.00
<b>CONVERTIBLE ARBITRAGE</b>					<b>7'122'515.99</b>	<b>3.77</b>
<b>ASSET-BASED LENDING</b>					<b>17'124'862.12</b>	<b>9.05</b>
2068793	Laurus Offshore Class B Series 02/05	60'000	USD	109.6327	8'669'428.18	4.58
2109877	CCA (Offshore) Fund I Class A Series C05-Off	2'000	USD	1'095.9354	2'888'776.23	1.53
2194918	Laurus Offshore Class B Series 06/05	10'000	USD	108.0751	1'424'375.52	0.75
2245742	CCA (Offshore) Fund I Class A Series G05-Off	2'000	USD	1'055.8781	2'783'189.19	1.47
2300233	Laurus Offshore Class B Series 10/05	5'000	USD	103.5707	682'504.82	0.36
2330530	CCA (Offshore) Fund I Class A Series J05-Off	500	USD	1'026.7281	676'588.18	0.36
<b>CREDIT ARBITRAGE</b>					<b>8'167'353.45</b>	<b>4.32</b>
1569025	KBC Alpha Series Feeder - KBC Credit Arbitrage Class B	4'833.1096	USD	1'282.20	8'167'353.45	4.32
<b>CREDIT ARBITRAGE</b>					<b>25'292'215.57</b>	<b>13.37</b>
<b>MARKET NEUTRAL</b>					<b>25'262'232.78</b>	<b>13.35</b>
645763	Orbis Optimal Fund	113'123.3892	USD	62.24	9'279'422.02	4.90
1564309	Altairis Offshore Class B Serie 3	26'849.5619	USD	169.4441	5'996'013.68	3.17
1570693	Magenta Fund	55'754.47	EUR	115.22	9'986'797.08	5.28
<b>SPLIT STRIKE CONVERSION</b>					<b>16'548'432.07</b>	<b>8.75</b>
994280	Fairfield Sentry Limited	7'886.12	USD	1'100.08	11'433'694.52	6.04
1785240	Luxalpha Class A	3'396.697	USD	1'142.53	5'114'737.55	2.70
<b>EQUITY ARBITRAGE</b>					<b>41'810'664.85</b>	<b>22.10</b>
<b>EVENT DRIVEN</b>					<b>27'489'428.26</b>	<b>14.53</b>
649235	Paulson International Series 1	17'615.662	USD	347.57	8'069'380.36	4.27
1439404	Atticus European Class D Red Ptg Shares	47'497.3308	EUR	262.91	19'413'103.63	10.26
4015149	Paulson International Series 1 Equalization	5'268.99	USD	1.00	6'944.27	0.00
<b>MERGER ARBITRAGE</b>					<b>5'807'358.58</b>	<b>3.07</b>
1327241	WPG Ericott Merger Arbitrage Overseas Fund Class B	28'591.9563	USD	154.1118	5'807'358.58	3.07
<b>MULTI-STRATEGY</b>					<b>14'473'651.19</b>	<b>7.66</b>
463435	Canyon Value Realization Fund (Cayman) Class B	1'583.89	USD	3'370.5047	7'035'887.45	3.72
1711904	Farallon Capital Offshore Class E Series A	148'551.83	USD	16.0965	3'151'439.21	1.67
2330534	Canyon Value Realization Fund (Cayman) Class F Series 10/05	424.7475	USD	1'180.86	661'040.65	0.35
2365238	Canyon Value Realization Fund (Cayman) Class F Series 11/05	2'325.3172	USD	1'182.935	3'625'283.88	1.92
<b>EVENT DRIVEN</b>					<b>47'770'438.03</b>	<b>25.26</b>
<b>CARRY-STRATEGY</b>					<b>6'908'581.25</b>	<b>3.65</b>
1619386	Elite Performance Fund Fixed Income Arbitrage Class E (Apache)	446.621	USD	11'736.8295	6'908'581.25	3.65
<b>G-10 SOVEREIGN</b>					<b>5'149'161.98</b>	<b>2.72</b>
2078607	Endeavour Fund II Series ECM02LBASE	2'367.20018	USD	1'650.451	5'149'161.98	2.72
<b>STRUCTURED CREDIT ARBITRAGE</b>					<b>20'524'753.46</b>	<b>10.86</b>
1814025	Metacapital Fixed Income Relative Value Offshore Class A Initial	6'040.7514	USD	1'227.5942	9'773'378.66	5.17
1955067	Bear Stearns High-Grade Structured Credit Strat. Series 11	3'880.9354	USD	1'135.1107	5'805'953.87	3.07
2077824	Bear Stearns High-Grade Structured Credit Strat. Series 16	3'000	USD	1'080.6478	4'272'719.38	2.26
2305516	Bear Stearns High-Grade Structured Credit Strat. Series 24	500	USD	1'020.8302	672'701.55	0.36
<b>FIXED INCOME ARBITRAGE</b>					<b>32'582'496.69</b>	<b>17.23</b>

The footnotes are explained at the end of the report.

Security number	Description	Number/Nominal value	Currency	Price	Market value	in %
<b>COMMODITIES</b>					<b>7'150'449.32</b>	<b>3.78</b>
2058641	Anglian Commodities Feeder Fund Investor Class Series 1	479.083	USD	11'324.62	7'150'449.32	3.78
<b>MULTI-STRATEGY</b>					<b>11'708'516.90</b>	<b>6.19</b>
462657	Moore Global Fixed Income Fund Class A	688.2466	USD	7'231.15	6'559'192.54	3.47
2076454	Ritchie Multi-Strategy Global Class S	9.21547	USD	3'280.8001	39'847.05	0.02
2080776	Ritchie Multi-Strategy Global Class B Series 2005	976.89646	USD	2'173.3633	2'798'206.77	1.48
2080779	Ritchie Multi-Strategy Global Class B1 Series 2005	803.16694	USD	2'183.464	2'311'270.54	1.22
<b>RELATIVE VALUE ARBITRAGE</b>					<b>18'858'966.22</b>	<b>9.97</b>

<b>Subscription rights</b>					<b>2'630'628.20</b>	<b>1.39</b>
4015320	Crystalline Capital Funds Amethyst Arbitrage Class B drt	2'000'000	USD	0.998	2'630'628.20	1.39
<b>MISCELLANEOUS</b>					<b>2'630'628.20</b>	<b>1.39</b>

<b>Derivative financial instruments</b>					<b>-85'478.50</b>	<b>-0.05</b>
---	--	--	--	--	-------------------	--------------

Transaction number	Description	Currency	Amount	Currency	Amount	Change	Market value	in %	
DAT000897	Forward exchange contract	31.01.06	EUR	-1'100'000.00	CHF	1'707'777.50	1.55279	-291.50	0.00
DAT000898		31.01.06	USD	-1'000'000.00	CHF	1'312'925.00	1.31452	-1'595.00	0.00
DAT000899		31.01.06	USD	-111'300'000.00	CHF	146'231'505.00	1.31452	-74'571.00	-0.05
DAT000900		31.01.06	EUR	-19'400'000.00	CHF	30'115'105.00	1.55279	-9'021.00	0.00

<b>Forward foreign exchange</b>					<b>-85'478.50</b>	<b>-0.05</b>
---------------------------------	--	--	--	--	-------------------	--------------

Units of other alternative investment funds	CHF	173'437'297.35	91.70
Other securities and rights	CHF	2'630'628.20	1.39
Derivatives	CHF	-85'478.50	-0.05
Bank receivables at sight	CHF	12'824'611.11	6.78
Other assets	CHF	342'107.63	0.18
<b>Total fund assets at the end of the accounting period</b>	CHF	189'149'165.79	100.00
Accrued liabilities	CHF	-3'522'742.00	
<b>Net fund assets at the end of the accounting period</b>	CHF	185'626'423.79	

#### Exchange rates

EUR	1.-	=	CHF	1.5546
USD	1.-	=	CHF	1.31795

### Additional information and off-balance-sheet transactions

Type	Amount in fund currency
Sum of contracted loans and credits:	0.00
Sum of securities lent:	0.00
Volume of securities in repo and reverse repo operations:	0.00
Financial charges against fund assets (guarantees, pledges, collateral security, margin calls for transactions involving financial derivatives):	0.00
Volumes of contracts in financial derivatives:	
– Forward foreign exchange	179'875'085.00
– Futures	0.00
– Calls	0.00
– Puts	0.00
– Warrants	0.00
– Subscription rights	0.00
Volume of cash-equivalent/quasi-cash related to financial contracts:	0.00

The footnotes are explained at the end of the report.

## Derivative financial instruments open at the end of the accounting period

Currency	Foreign exchange sold	Change	Currency	Foreign exchange bought	Maturity	Exposure
EUR	1'100'000.00	1.55279	CHF	1'707'777.50	31.01.06	1'710'060.00
USD	1'000'000.00	1.31452	CHF	1'312'925.00	31.01.06	1'317'950.00
USD	111'300'000.00	1.31452	CHF	146'231'505.00	31.01.06	146'687'835.00
EUR	19'400'000.00	1.55279	CHF	30'115'105.00	31.01.06	30'159'240.00
<b>Forward foreign exchange</b>						<b>179'875'085.00</b>

## Changes of corporate name

Security number	Old name	New name
1387374	Barclays Global Investors UK Eq. Market Neutral Fund II	Barclays Global Investors UK Eq. Market Neutral Fund II Class A
2076454	RAM Capital Investment Class S	Ritchie Multi-Strategy Global Class S
2080779	RAM Capital Investment Class B1 Series 2005	Ritchie Multi-Strategy Global Class B1 Series 2005
2080776	RAM Capital Investment Class B Series 2005	Ritchie Multi-Strategy Global Class B Series 2005

## List of transactions during the accounting period

Security number	Description	Purchases 3)	Sales 4)
<b>Units of other alternative investment funds</b>			
645763	Orbis Optimal Fund	53'388.4630	
649235	Paulson International Series 1	1'552.3180	
994280	Fairfield Sentry Limited	1'929.9400	
1057539	Black Diamond Arbitrage Class C		28'418.5800
1264602	Jupiter Hyde Park Hedge Fund Limited Shares		1'244'979.9180
1273945	Argent Lowlev Convertible Arbitrage Fund Class B		18'072.4280
1351777	Vega Relative Value Fund Investor Class USD Series 1		345.0590
1387374	Barclays Global Investors UK Eq. Market Neutral Fund II Class A	177'598.5804	355'802.9774
1428089	Asymmetric Convertible Fund		33'769.0500
1564309	Altairis Offshore Class B Serie 3	26'849.5619	
1569025	KBC Alpha Series Feeder - KBC Credit Arbitrage Class B	4'833.1096	
1608019	KBC Alpha Series Feeder Fund - KBC Credit Arbitrage Class B	10.7239	4'833.1096
1619386	ElitePerformance Fund Fixed Income Arbitrage Class E (Apache)	1'026.5780	893.4460
1711904	Farallon Capital Offshore Class E Series A	148'551.8300	
1785240	Luxalpha Class A	3'396.6970	
1798720	Metacapital Fixed Income Relative Value Off. Class A Series 0104		3'000.0000
1814025	Metacapital Fixed Income Relative Value Offshore Class A Initial	3'573.3899	
1827340	RAM Capital Investment Class B 2004		1'788.8724
1868687	Farallon Capital Offshore Class E Series E		232'473.7400
1925112	Anglian Commodities Fund Investor Class		478.3090
1928874	Endeavour Fund II Series 2860 C2 0407		4'500.0000
1929663	Drake Low Volatility Fund Class B Series 1		5'000.0000
1955067	Bear Stearns High-Grade Structured Credit Strat. Series 11	3'880.9354	
1997594	Metacapital Fixed Income Relative Value Offshore Class A 11/04		1'000.0000
2025011	Bear Stearns High-Grade Structured Credit Strat. Series 14		4'000.0000
2025643	Endeavour Fund II Series 2860 D2 0411		1'000.0000
2032871	Endeavour Fund II Class 2860D2 Series 04/10	2'971.6406	2'971.6406
2043702	Boston & Alexander Number One Fund		1'467.6760
2058641	Anglian Commodities Feeder Fund Investor Class Series 1	479.0830	
2068793	Laurus Offshore Class B Series 02/05	60'000.0000	
2076454	Ritchie Multi-Strategy Global Class S	9.2155	
2077824	Bear Stearns High-Grade Structured Credit Strat. Series 16	3'000.0000	
2078607	Endeavour Fund II Series ECM02LBASE	3'609.5751	1'242.3749
2080776	Ritchie Multi-Strategy Global Class B Series 2005	976.8965	
2080779	Ritchie Multi-Strategy Global Class B1 Series 2005	803.1669	
2109877	CCA (Offshore) Fund I Class A Series C05-Off	2'000.0000	
2194918	Laurus Offshore Class B Series 06/05	10'000.0000	
2245742	CCA (Offshore) Fund I Class A Series G05-Off	2'000.0000	
2300233	Laurus Offshore Class B Series 10/05	5'000.0000	
2305516	Bear Stearns High-Grade Structured Credit Strat. Series 24	500.0000	
2330530	CCA (Offshore) Fund I Class A Series J05-Off	500.0000	
2330534	Canyon Value Realization Fund (Cayman) Class F Series 10/05	424.7475	
2365238	Canyon Value Realization Fund (Cayman) Class F Series 11/05	2'325.3172	
4015149	Paulson International Equalization	5'268.9900	44'056.4500
4015154	KBC Alpha Series Feeder Fund Credit Arbit. -B- Equalization		14'310.1700

### Subscription rights

4015320	Crystalline Capital Funds Amethyst Arbitrage Class B drt	2'000'000	
4022527	ElitePerformance Fund Fixed Income Arbitrage -E- drt		1'500'000

### Forward foreign exchange

Transaction number	Maturity	Change	Currency	Bought	Currency	Sold
DAT000268	25.01.05	1.21320	CHF	105'184'440.00	USD	86'700'000.00
DAT000269	25.01.05	1.53300	CHF	32'193'000.00	EUR	21'000'000.00
DAT000270	25.01.05	1.20000	CHF	1'836'000.00	USD	1'530'000.00
DAT000313	25.01.05	0.66309	EUR	3'800'000.00	CHF	5'730'780.00
DAT000314	25.01.05	1.14083	CHF	13'119'545.00	USD	11'500'000.00
DAT000388	28.02.05	1.54740	CHF	27'543'720.00	EUR	17'800'000.00
DAT000389	28.02.05	1.18670	CHF	131'723'700.00	USD	111'000'000.00
DAT000390	31.01.05	1.19000	CHF	121'380'000.00	USD	102'000'000.00
DAT000391	31.01.05	1.18400	CHF	10'656'000.00	USD	9'000'000.00
DAT000392	31.01.05	1.54560	CHF	27'511'680.00	EUR	17'800'000.00
DAT000432	31.03.05	1.53510	CHF	27'324'780.00	EUR	17'800'000.00
DAT000433	31.03.05	0.86363	USD	3'150'000.00	CHF	3'647'385.00
DAT000434	31.03.05	1.15593	CHF	128'307'675.00	USD	111'000'000.00
DAT000435	31.03.05	1.53515	CHF	1'074'605.00	EUR	700'000.00
DAT000486	29.04.05	1.18975	CHF	128'314'537.50	USD	107'850'000.00
DAT000487	29.04.05	1.54728	CHF	28'624'587.50	EUR	18'500'000.00
DAT000488	29.04.05	1.18985	CHF	8'626'412.50	USD	7'250'000.00

The footnotes are explained at the end of the report.

Transaction number	Maturity	Change	Currency	Bought	Currency	Sold
DAT000489	29.04.05	1.54750	CHF	619'000.00	EUR	400'000.00
DAT000561	31.05.05	1.18785	CHF	136'721'535.00	USD	115'100'000.00
DAT000562	31.05.05	0.84118	USD	1'100'000.00	CHF	1'307'680.00
DAT000563	31.05.05	1.53478	CHF	29'007'247.50	EUR	18'900'000.00
DAT000564	31.05.05	0.65117	EUR	300'000.00	CHF	460'710.00
DAT000596	31.08.05	1.24320	CHF	2'486'400.00	USD	2'000'000.00
DAT000597	31.08.05	1.52930	CHF	1'529'300.00	EUR	1'000'000.00
DAT000601	30.06.05	0.80431	USD	1'400'000.00	CHF	1'740'620.00
DAT000602	30.06.05	1.24245	CHF	141'639'300.00	USD	114'000'000.00
DAT000603	30.06.05	0.65087	EUR	100'000.00	CHF	153'640.00
DAT000604	30.06.05	1.53535	CHF	28'557'510.00	EUR	18'600'000.00
DAT000620	31.08.05	1.24000	CHF	3'472'000.00	USD	2'800'000.00
DAT000623	31.08.05	1.53300	CHF	6'132'000.00	EUR	4'000'000.00
DAT000624	31.08.05	2.28300	CHF	3'652'800.00	GBP	1'600'000.00
DAT000628	30.09.05	2.29000	CHF	5'038'000.00	GBP	2'200'000.00
DAT000629	30.09.05	0.01168	CHF	4'672'000.00	JPY	400'000'000.00
DAT000630	31.08.05	1.53820	CHF	6'152'800.00	EUR	4'000'000.00
DAT000632	31.08.05	1.53650	CHF	1'536'500.00	EUR	1'000'000.00
DAT000634	30.09.05	2.30000	CHF	5'750'000.00	GBP	2'500'000.00
DAT000635	30.09.05	1.26600	CHF	12'153'600.00	USD	9'600'000.00
DAT000636	30.09.05	0.01164	CHF	2'328'000.00	JPY	200'000'000.00
DAT000637	30.09.05	1.53860	CHF	10'770'200.00	EUR	7'000'000.00
DAT000642	30.09.05	1.27700	CHF	1'915'500.00	USD	1'500'000.00
DAT000646	30.09.05	1.27400	CHF	4'076'800.00	USD	3'200'000.00
DAT000661	30.09.05	1.54500	CHF	2'163'000.00	EUR	1'400'000.00
DAT000663	30.09.05	0.01162	CHF	3'484'500.00	JPY	300'000'000.00
DAT000668	30.09.05	1.55200	CHF	3'880'000.00	EUR	2'500'000.00
DAT000671	29.07.05	1.54915	CHF	28'659'275.00	EUR	18'500'000.00
DAT000672	29.07.05	1.27831	CHF	143'937'706.00	USD	112'600'000.00
DAT000674	30.09.05	1.55500	CHF	3'732'000.00	EUR	2'400'000.00
DAT000678	31.10.05	1.05450	CHF	738'150.00	CAD	700'000.00
DAT000679	31.10.05	1.55800	CHF	19'786'600.00	EUR	12'700'000.00
DAT000680	31.10.05	0.01160	CHF	3'248'000.00	JPY	280'000'000.00
DAT000681	31.10.05	1.29500	CHF	12'885'250.00	USD	9'950'000.00
DAT000682	31.10.05	2.24000	CHF	3'472'000.00	GBP	1'550'000.00
DAT000697	31.08.05	1.28170	CHF	140'987'000.00	USD	110'000'000.00
DAT000698	31.08.05	1.28200	CHF	1'666'600.00	USD	1'300'000.00
DAT000699	31.08.05	1.55885	CHF	28'838'725.00	EUR	18'500'000.00
DAT000700	31.08.05	1.55845	CHF	1'402'605.00	EUR	900'000.00
DAT000731	30.09.05	1.25530	CHF	139'714'890.00	USD	111'300'000.00
DAT000732	30.09.05	1.54570	CHF	29'986'580.00	EUR	19'400'000.00
DAT000733	30.09.05	0.79618	USD	3'500'000.00	CHF	4'396'000.00
DAT000734	30.09.05	0.64633	EUR	1'300'000.00	CHF	2'011'360.00
DAT000767	31.10.05	1.55235	CHF	28'097'535.00	EUR	18'100'000.00
DAT000768	31.10.05	1.28570	CHF	138'598'460.00	USD	107'800'000.00
DAT000769	31.10.05	1.28800	CHF	1'674'400.00	USD	1'300'000.00
DAT000770	31.10.05	1.55205	CHF	1'862'460.00	EUR	1'200'000.00
DAT000822	30.11.05	0.64717	EUR	1'000'000.00	CHF	1'545'200.00
DAT000823	30.11.05	0.77640	USD	1'800'000.00	CHF	2'318'400.00
DAT000824	30.11.05	1.28743	CHF	140'458'067.50	USD	109'100'000.00
DAT000825	30.11.05	1.54445	CHF	29'807'885.00	EUR	19'300'000.00
DAT000861	30.12.05	1.54795	CHF	1'702'745.00	EUR	1'100'000.00
DAT000862	30.12.05	1.31090	CHF	5'243'600.00	USD	4'000'000.00
DAT000863	30.12.05	1.31080	CHF	140'648'840.00	USD	107'300'000.00
DAT000864	30.12.05	1.54780	CHF	28'324'740.00	EUR	18'300'000.00
DAT000897	31.01.06	1.55253	CHF	1'707'777.50	EUR	1'100'000.00
DAT000898	31.01.06	1.31293	CHF	1'312'925.00	USD	1'000'000.00
DAT000899	31.01.06	1.31385	CHF	146'231'505.00	USD	111'300'000.00
DAT000900	31.01.06	1.55233	CHF	30'115'105.00	EUR	19'400'000.00

1) rounded

2) Note for investors in Germany: Bank receivables / payables are not protected by hedging arrangements.

3) Purchases include among others the following transactions: purchases / bonus securities / conversions / changes of corporate names / splits / stock-/cash-dividends / demergers / transfers / exchanges between companies / allotment from subscription/option rights

4) Sales include among others the following transactions: sales / draws by lot / cancellations as a result of expiry / exercises of rights/options / conversions / reverse-splits / repayments / transfers / exchanges between companies

5) According to the guidelines of the Federal Tax Administration regarding collective investment instruments, April 1999, margin 27.

# Securities partly or entirely lent out (Securities lending)

## Commissions

	Issuing commission	Redemption commission	Management fee applied per quarter	Custodian bank's fee per quarter
<b>AMC ALTERNATIVE FUND – AMC Directional Alternative Fund (CHF)</b>	max. 5%	none	0.50%	0.0375%
<b>AMC ALTERNATIVE FUND – AMC Defensive Alternative Fund (CHF)</b>	max. 5%	none	0.50%	0.0375%

The Management Company may allocate its commission fee as follows:

	Fund management (administration) up to a maximum of	Asset management (management of the fund's investments) up to a maximum of	Marketing the fund (including advertising, sales and marketing) up to a maximum of	Applied management fee
<b>AMC ALTERNATIVE FUND – AMC Directional Alternative Fund (CHF)</b>	0.50%	1.00%	1.00%	2.50%
<b>AMC ALTERNATIVE FUND – AMC Defensive Alternative Fund (CHF)</b>	0.50%	1.00%	1.00%	2.50%

Below the Marketing allocation, the fund management company may accord commission fee rebates to institutional investors that hold the units in the sub-funds on behalf of third parties from an economic standpoint (life assurance companies, pension funds and other providential institutions, investment foundations, Swiss fund management companies, foreign fund management companies, investment companies).

The fund management company may, moreover, pay commission fees below the Marketing allocation to selling agents and distribution partners (authorised selling agents, fund management companies, banks, brokers, insurance companies, asset managers, distribution partners that place fund units exclusively with institutional investors whose treasury resources are managed professionally).

## Foreign sub-custodians

As of 31.12.2005	AMC ALTERNATIVE FUND – AMC Directional Alternative Fund (CHF)	AMC ALTERNATIVE FUND – AMC Defensive Alternative FUND (CHF)
Citco Bank, Dublin	X	X

## GIPS – Disclosures

Gérifonds SA has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS).

### Description

Global Investment Performance Standards (GIPS) are recommendations of the CFA Institute which were established with the purpose of achieving a standard and modern presentation of investment performance. They are comprised of a collection of rules geared towards enhancing transparency and comparability of the investment performances of different fund managers.

Global Investment Performance Standards (GIPS) were introduced in 1999. In February 2005, the CFA Institute adopted a new version of the GIPS, which replaced the 1999 standards, as well as the various country versions, such as the Swiss Performance Presentation Standards (SPPS), previously applied by Gérifonds SA.

Although the effective date of the revised GIPS was January 1, 2006, Gérifonds SA early adopted these new standards effective January 1, 2005, as recommended by the CFA Institute.

### Definitions

- **Firm:** the firm, Gérifonds SA, founded in 1970, encompasses all those investment funds for which Gérifonds is the management company. However, Gérifonds has signed a contract to delegate fund management

#### to

BCV, Lausanne,

Synchrony Asset Management, Geneva,  
Banque Cantonale de Genève, Geneva,  
Heritage Bank & Trust SA, Geneva,  
Bearbull Gestion Institutionnelle, Geneva,  
IFP Fund Management SA, Pully,

#### for the following funds:

BCV FONDS STRATÉGIQUE, AMC PROFESSIONAL FUND, AMC ALTERNATIVE FUND, BCV EMERGING MARKETS FUND and Japac Fund  
SYNCHRONY MARKET FUND  
BCGE RAINBOW FUND  
HERITAGE ALTERNATIVE FUND  
BBGI FUND  
IFP FUND.

- **Composite:** each investment fund, respectively sub-fund, constitutes a composite according to SPPS. There are **39** composites with total assets of CHF **4'663.9** m as of **31.12.2005**:  
BCV FONDS STRATÉGIQUE (-BCV Stratégie Obligation, -BCV Stratégie Revenu, -BCV Stratégie Croissance, -BCV Stratégie Dynamique, -BCV Stratégie Actions Monde);  
AMC PROFESSIONAL FUND (-AMC Pro Swiss Equity A, B, C, -AMC Pro Europe Equity A, B, C, -AMC Pro US Equity A, B, C, -AMC Pro International Bonds A, B, C, -AMC Pro Active Europe, -AMC Pro Active US, -AMC Pro Swiss Bonds A, B, C, D);  
AMC ALTERNATIVE FUND (-AMC Directional Alternative Fund (CHF), -AMC Defensive Alternative Fund (CHF));  
Japac Fund;  
BCV EMERGING MARKETS FUND (-Seapac Fund, -Chinac Fund, -Latinac Fund, -Euromac Fund, -Indiac Fund);  
BCGE RAINBOW FUND (-Diamant (CHF), -Saphir (CHF));  
SYNCHRONY MARKET FUND (-Swiss Equity, -European Equity, -US Equity, -Swiss Government Bonds);  
HERITAGE ALTERNATIVE FUND (-Heritage Total Return (CHF), -Heritage Total Return (EUR), -Heritage MSCI Alternative Index Fund (CHF));  
BBGI FUND (-BBGI Tactical Switzerland A, -BBGI Tactical Europe A, -BBGI Tactical World A, -BBGI Core TR (CHF) A, -BBGI Core TR (EUR) A, -BBGI Core TR (USD) A, -BBGI Commodities (USD) A);  
IFP FUND (-IFP Global Convertible Bonds (CHF), IFP Global Convertible Bonds (EUR)).

### Methodology

1. Securities are valued on the basis of market prices as of the date of reporting.
2. Performance is calculated on the basis of net asset value (NAV), taking into account income distributions.
3. Funds' performances are calculated on a daily basis.
4. The returns are calculated after the deduction of management and operating expenses.
5. Returns are linked geometrically (time-weighted return method).
6. Risk measures presented (volatility and Sharpe ratio) are calculated for the current year. If there is a change in the frequency at which the analysed series is calculated during the year, the parameters are calculated based on the averages of the various annualised sub-series.
7. Correlation: correlation between the fund's performance and that of its benchmark index.
8. Volatility: annualised standard deviation for the return series.
9. Tracking error: annualised standard deviation of the difference between the fund's performance and that of its benchmark index.
10. Beta: slope resulting from a linear regression analysis of the fund's performance relative to that of its benchmark index.
11. Sharpe ratio: average of annualised returns from the funds less the risk-free rate divided by the volatility of the fund's performance.
12. Annualisation: multiplication by the root of 250 for a daily series, 52 for a weekly series and 12 for a monthly series.
13. Performance figures do not take into account any front – or back – end loads.
14. Reclaimable withholding taxes on securities income are accrued on the ex-date.
15. Additional information regarding the policies for calculating and reporting performance is available upon request.

## AMC ALTERNATIVE FUND – AMC Directional Alternative Fund (CHF)

Launch date: 26.06.2003

**Features:** The investment objectives for the fund are to achieve long-term growth and to control risks by a strict and disciplined due-diligence process of selecting, diversifying and monitoring underlying funds and their investment managers. No guarantee can be given that the investment objectives will be met.

AMC Directional Alternative Fund (CHF) sub-fund's objective is to achieve long-term growth and moderate volatility. It invests in underlying investment funds (hereinafter referred to as "underlying funds") of all types, established under Swiss or foreign law, open- or closed-ended, which may or may not be traded on stock exchanges or other regulated markets that are open to the public, and these funds can take very different legal forms (collective investment contracts, collective investment funds, investment companies, limited partnerships, trusts, etc.). Those underlying funds can follow directional and/or semi-directional investment strat-

egies selected by BCV's Asset Management (AM) department, such as:

- Commodity Long/Short
- Credit Long/Short
- CTAs
- Equity Long Bias
- etc.

The sub-fund must invest in at least four different investment strategies.

The base currency for the AMC Directional Alternative Fund (CHF) is the Swiss franc (CHF). The Investment Manager hedges systematically the foreign exchange risk between the currency of the underlying investment funds and the reference currency of the segment.

<b>Performance report</b>		<b>2003</b> from 26 June to 31 Dec.	<b>2004</b>	<b>2005</b>
Return in Swiss francs (CHF)				
Net total return (NAV)	%	0.95	2.53	5.23
Net fund assets	CHF m	106.6	138.4	184.8
As % of firm total	%	3.54	3.59	3.96
Total firm assets	CHF m	3'355.2	3'851.4	4'663.9
External risk measures				
– Volatility	%	2.34	5.08	6.23
– Sharpe ratio		0.71	0.40	0.72
– Risk-free rate	%	0.1608	0.4859	0.7297

### Notes

1. No significant leverage exists within the firm's investment funds.
2. No benchmark disclosed, as no benchmark considered representative of the investment strategy.
3. The performance calculation is based on the net asset value, after deduction of all commissions and expenses mentioned in articles 18 et 19 of the fund regulations.
4. For this fund, the management company has delegated the portfolio management to BCV Asset Management, Lausanne. PRS International Investment Advisory Services Inc., Miami, provides advisory services in relation with the investments.

## AMC ALTERNATIVE FUND – AMC Defensive Alternative Fund (CHF)

Launch date: 26.06.2003

**Features:** The investment objectives for the fund are to achieve long-term growth and to control risks by a strict and disciplined due-diligence process of selecting, diversifying and monitoring underlying funds and their investment managers. No guarantee can be given that the investment objectives will be met.

AMC Defensive Alternative Fund (CHF) sub-fund's objective is to achieve long-term growth and moderate volatility. It invests in underlying investment funds (hereinafter referred to as "underlying funds") of all types, established under Swiss or foreign law, open- or closed-ended, which may or may not be traded on stock exchanges or other regulated markets that are open to the public, and these funds can take very different legal forms (collective investment contracts, collective investment funds, investment companies, limited partnerships, trusts, etc.). Those underlying funds can follow directional and/or semi-directional investment strat-

egies selected by BCV's Asset Management (AM) department, such as:

- Commodity Long/Short
- Credit Long/Short
- CTAs
- Equity Long Bias
- etc.

The sub-fund must invest in at least four different investment strategies.

The base currency for the AMC Defensive Alternative Fund (CHF) is the Swiss franc (CHF). The Investment Manager hedges systematically the foreign exchange risk between the currency of the underlying investment funds and the reference currency of the segment.

Performance report		2003 from 26 June to 31 Dec.	2004	2005
Return in Swiss francs (CHF)				
Net total return (NAV)	%	-0.32	1.52	3.51
Net fund assets	CHF m	108.3	152.0	185.6
As % of firm total	%	3.84	3.95	3.98
Total firm assets	CHF m	3'355.2	3'851.4	4'663.9
External risk measures				
– Volatility	%	1.54	2.36	3.93
– Sharpe ratio		-0.50	0.44	0.71
– Risk-free rate	%	0.1608	0.4859	0.7297

### Notes

1. No significant leverage exists within the firm's investment funds.
2. No benchmark disclosed, as no benchmark considered representative of the investment strategy.
3. The performance calculation is based on the net asset value, after deduction of all commissions and expenses mentioned in articles 18 et 19 of the fund regulations.
4. For this fund, the management company has delegated the portfolio management to BCV Asset Management, Lausanne. PRS International Investment Advisory Services Inc., Miami, provides advisory services in relation with the investments.

## Statement of compliance with the Global Investment Performance Standards (GIPS)

---

As an independent auditor, KPMG Fides Peat has verified for the period from 1st January to 31st December 2005, all the Investment Funds under Swiss law of GÉRIFONDS SA according to the rules for verifiers of the Global Investment Performance Standards (GIPS). The definition of the firm GÉRIFONDS SA in the meaning of the GIPS includes all the Investment Funds of which GÉRIFONDS SA is the Management Company.

The firm GÉRIFONDS SA is responsible for the presentation and the performance calculation, while our task is to verify and to assess the presentation and the calculation.

Our verification was conducted in accordance with the Swiss Auditing Standards and the verification rules of the GIPS section III, which require that verification be planned and performed such that material errors in the presentation and performance calculation can be detected with reasonable assurance. We have analyzed and assessed the performance data disclosed

by GÉRIFONDS SA as well as the overall presentation. We believe that our verification provides a reasonable basis for our opinion.

In our opinion, the presentation and the performance calculation of all the composites of the firm GÉRIFONDS SA have been made in compliance with the requirements of the Global Investment Performance Standards. GÉRIFONDS SA has complied with all composite construction requirements of GIPS on a firm-wide basis. The processes and procedures of GÉRIFONDS SA are designed to calculate and present performance results in accordance with GIPS.

KPMG Fides Peat

Pierre Zach  
Swiss Certified Accountant

Yvan Mermod  
Swiss Certified Accountant

Geneva, April 14, 2006

## Auditors' Report

For the accounting year 2005

---

In our capacity as legally recognized auditors of the investment fund incorporated under Swiss law

### **AMC ALTERNATIVE FUND**

composed of the following sub-funds:

- **AMC Directional Alternative Fund (CHF)**
- **AMC Defensive Alternative Fund (CHF)**

we have audited the accounting books and the annual report for the accounting year ended 31 December 2005.

The annual report is the responsibility of the Fund Management Company. Our responsibility is to express an opinion on the annual report based on our audit. We confirm that we meet the legal requirements concerning professional qualifications and independence.

Our audit was conducted in accordance with Swiss Auditing standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the annual report is free from material misstatement. We have examined on a test basis evidence supporting the amounts in the annual report. We have also assessed the accounting principles used, significant estimates made and the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- the investments, the capital account and the income statement, the calculation of the value of the inventory and the allocation of the profit comply with the Swiss law, with implementing ordinances as well as the respective internal rules and the prospectus;
- the information regarding the issue, repurchase and the total number of units in circulation and the list of purchases and sales is correct;
- the information regarding custodians, investment and other advisors and important economic or legal information disclosed in the annual report is in accordance with applicable provisions.

Geneva, 31 March 2006

KPMG Fides Peat

Pierre Zach  
Swiss Certified Accountant

Yvan Mermod  
Swiss Certified Accountant  
(Auditor in charge)



Fund Management Company  
Rue du Maupas 2  
P.O. Box 2827  
CH-1002 Lausanne

Tel.: ++41 21 321 32 00  
Fax: ++41 21 321 32 28  
[www.gerifonds.com](http://www.gerifonds.com)  
E-mail: [info@gerifonds.com](mailto:info@gerifonds.com)

March 2006